Effective February 8, 2006, in conformance with the federal Deficit Reduction Act of 2005 (DRA), the Department of Human Services (DHS) is promulgating rules to change the long term care eligibility criteria. The DRA is very detailed as to the changes being made to long term care applicants and recipients at recertification. The look back period for applicants and recipients is changed from thirty-six (36) months to sixty (60) months. The transfer of assets penalty period start time is changed to: the transfer date or the date that the individual would have been otherwise eligible for Medicaid, whichever is later. Eligibility is changed to allow for partial month eligibility. The undue hardship policy section is changed to include further specifics. The home exclusion is changed to have a maximum exclusion cap of home equity. In determining eligibility for couples, the income is treated first, rather than the resources. Annuities are required to have the state as a remainder beneficiary up to the amount of Medicaid paid on behalf of the recipient. Notes and loans are now examined more closely under the resource test. Life estate purchases of another's home require that the individual have lived in the home for one (1) year.

In the development of the rules and regulations, consideration was given to the following: (1) alternative approaches; and (2) overlap or duplication with other statutory and regulatory provisions. No alternative approach or duplication or overlap was identified based upon available information. The health, safety and welfare of the public precludes any economic impact that may be incurred as a result of these regulations.